6 NOV 1975

#### KEY ISSUES

## A. Appropriations (FY 76)

#### 1. Status

Funds	for the Agency and the National Foreign Intellig	(ence
Program		which

#### 2. House Action

The House Committee prepared an unprecedented 57-page classified report on these budgets. The House defeated by a margin of 2 to 1 a floor amendment requiring an open CIA budget.

#### 3. Senate Action

The Senate Committee restored over half of the House Committee cut. This replenishes the CIA contingency reserve

It also restores funds at a slower rate of development for an improved

the need for which was affirmed by the President following the House Committee's deletion of all funds for this system. The details of the appropriations approved and the classified 57-page report prepared by the House Committee is available at the Agency.

#### B. Congressional Oversight

## 1. Regular Oversight

The regular oversight committees for the Agency are subcommittees of the Armed Services and Appropriations Committees of both Houses (membership list attached).

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#### 2. Covert Action Oversight

Section 662 of the Foreign Assistance Act (enacted in 1974) requires that the President find that covert actions are important to the national security and that their scope and description be reported to the appropriate committees of Congress (presently six committees, four regular CIA oversight subcommittees and the House International Relations and Senate Foreign Relations Committees) (membership list attached).

#### 3. Miscellaneous

The House Government Operations Committee has established a subcommittee with a claim to oversight of CIA. Chairman Jack Brooks has been somewhat restrained in asserting jurisdiction, apparently awaiting the outcome of the Select Committee's investigations. In addition, numerous committees have asserted oversight to the extent that Agency activities may have impinged upon their areas of jurisdiction, e.g., privacy, freedom of information, security exchange commission, banking and currency, Post Office, etc. In this connection, Senator Kennedy, as Chairman of the Subcommittees on Health and Administrative Practice and Procedure, is currently investigating behavioral testing in connection with legislation establishing a commission to protect human subjects subject to biomedical and behavioral research and has requested Agency testimony and documents in this respect.

#### 4. Strengthened Oversight

A sense of the Senate resolution commits the reporting of a proposal for strengthened Congressional oversight by 1 March 1976 (perhaps a joint committee on intelligence). One of the issues is which Congressional group(s) need full access to the Agency's most sensitive functions and operations in order to perform their necessary legislative oversight function (under current Congressional guidelines this is limited to the four regular oversight committees). A corollary issue is the extent to which Congress will permit new intelligence committee(s) to act as their surrogate so that sensitive operational information will not be unnecessarily proliferated. Further, all committees, including the current oversight committees, will resist giving up their jurisdictional interest in CIA, but if a new oversight group is established, an attempt should be made to limit reporting on covert actions to that entity only.

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## C. Substantive Intelligence Support to the Congress

There is an exceptionally high regard for the Agency's intelligence product, even among some of our harshest critics. From time to time, some members have used our information against Administration policy witnesses, but we feel this is a spin-off which cannot be avoided if the intelligence community is to retain its present credibility. Full access to intelligence data does, however, raise a problem of impinging upon the executive's flexibility in exercising his constitutional responsibilities. There is no easy answer to this problem. A special publication, Congressional Checklist, containing substantive intelligence thought to be of special interest to the Congress is being sent on a daily basis to the foreign a ffairs committees and the four regular oversight committees. We hope that this publication will be accepted as a substitute for other publications which are more precisely taylored to the special interest of the Executive Branch. There is some support for a legislative concept which would require that the full extent of the Agency's production and analytical capabilities be made available to certain committees of Congress, and in turn, to all members of Congress and certain designated staff members. Such legislation raises serious separation of powers problems and would interfere with the Agency's primary service to the President, the concept of the National Security Act of 1947.

#### D. Legislation

Both Select Committees are committed to recommend legislation to the Congress and the Senate is committed to deal with such legislation by 1 June 1976. Most likely included will be:

1. Insertion of the word "foreign" in the 1947 Act to underscore that the Agency is a foreign intelligence agency.

2. Removing the ambiguities surrounding the responsibilities

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4. Hopefully, as part of the strengthened Congressional oversight legislation or in amendments to the 1947 Act, there can be enacted appropriate criminal deterrents, with due regard for constitutional requirements, for CLA employees and/or others who are <u>authorized</u> access to sensitive in elligence sources and methods as a result of

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their privity of relationship to the Government. Such legislation would not apply to the unauthorized recipients (newspapers, etc.) nor could it be used to prevent the employee from reporting abuses to appropriate authorities.

- 5. Although past attempts to prohibit covert action by the Agency have been defeated by comfortable margins in both Houses, there remains some sentiment against such action in the Congress. Some supporters of the Agency see covert action as an albatross around the Agency's neck, but most of the opposition comes from those opposed on the grounds of principle.
- 6. Any Executive Order restricting Agency activities or effecting structural changes is a likely candidate for statutory enactment and in the process, possible modification.

### D. Confirmation Issues

- 1. Planned tenure on the job.
- 2. Qualifications for intelligence.
- 3. Interests in oil as they relate to concern about multinationals.
- 4. Advisor to the President on policy matters as opposed to serving strictly as a foreign intelligence advisor.
  - 5. Politics entering into intelligence judgments.
- 6. As an outsider and a civilian, is the Deputy to remain a military man or will an insider be selected for Deputy?
- 7. If Congressional investigations are not ended; (a) how do you intend to handle, (b) concession on key issues during nomination proceedings.

#### CIA SUBCOMMITTEES

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## INTELLIGENCE OPERATIONS

John L. McClellan (D., Ark.), Chairman

John C. Stennis (D., Miss.)

Milton R. Young (R., N. Dak.)

John O. Pastore (D., R. I.)

Roman L. Hruska (R., Neb.)

## SENATE ARMED SERVICES

#### CIA SUBCOMMITTEE

John C. Stennis (D., Miss.), Chairman

Stuart Symington (D., Mo.)

Barry Goldwater (R., Ariz.)

Howard W. Cannon (D., Nev.)

Strom Thurmond (R., S. C.)

Thomas McIntyre (D., N. H.)

Dewey Bartlett (R., Okla.)

## HOUSE ARMED SERVICES

## SPECIAL SUBCOMMITTEE ON INTELLIGENCE

Lucien N. Nedzi (D., Mich.), Chairman

Melvin Price (D., Ill.)

Bob Wilson (R., Calif.)

F. Edward Hebert (D., La.)

William L. Dickinson (R., Ala.)

Charles E. Bennett (D., Fla.)

Samuel S. Stratton (D., N. Y.)

## HOUSE APPROPRIATIONS

## DEFENSE SUBCOMMITTEE

George H. Mahon (D., Tex.), Chairman

Robert L. F. Sikes (D., Fla.)

Daniel J. Flood (D., Pa.)

Joseph P. Addabbo (D., N. Y.)

John J. McFall (D., Calif.)

John J. Flynt (D., Ga.)

Robert N. Giaimo (D., Conn.)

Bill Chappell (D., Fla.)

Bill D. Burlison (D., Mo.)

Jack Edwards (R., Ala.)

J. Kenneth Robinson (R., Va.)

Jack F. Kemp (R., N. Y.)

Elford Cederberg (R., Mich.)

(ex-officio member)

## House Committee on International Relations

## Subcommittee on Oversight

(Covert Action Only)

Thomas E. Morgan (D., Pa.), Chairman

Clement J. Zablocki (D., Wis.) Wayne L. Hays (D., Ohio) Leo J. Ryan (D., Calif.) Helen S. Meyner (D., N.J.) William S. Broomfield (R., Mich.) Edward J. Derwinski (R., III.)

# Senate Committee on Foreign Relations (Covert Action Only)

John Sparkman (D., Ala.), Chairman

Clifford P. Case (R., N.J.)

## Subcommittee on Legislation & National Security House Government Operations Committee

## Jack Brooks (D., Texas), Chairman

John Moss (D., Calif.)
Benjamin Rosenthal (D., N.Y.)
James Wright (D., Texas)
Don Fuqua (D., Fla.)
William Moorhead (D., Pa.)
James Stanton (D., Ohio)
Michael Harrington (D., Mass.)

Frank Horton (R., N.Y.)
John Erlenborn (R., Ill.)
Joel Pritchard (R., Wash.)

The attached paper was prepared by STAT

Deputy Legislative Counsel, on the above date and sent over to Mr. Colby to go to the White House.

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